G. R. S. IX-5]

Previous references.

Banking 16-97 1907-07
" 6-00 ~~191~~
" 34-02801-2 (Banking)

Later references.

Banking 14-05

File No. 34

Serial Nos. 3—~~4~~

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 1—2

Part B for May 1906

SUBJECT.

Inspection Report of the Agricultural Bank at Vitagondanakoppa, Kumsi Sub Taluk.

W D 88—GPB—50,000—24-7-16

MYSORE GOVERNMENT
GENERAL SECRETARIAT
R 3021
7 APR 1904
1904

Revising
No. 21
No. 5

From M. S. Narayana Rao Esq
Deputy Commissioner
Shimoga District

To
K. Anantaswami Rao Esq.
Secretary to the Govt
of Mysore
Genl & Rev Depts.

Dated 6th April 1904
Despatched
Received

General No. 548
No. 361.
Enclosure No. 1

Forwards Inspection Report of the Agricultural Bank at Kitgondanakoppa Kumsi Sub Taluk

No. 548 Cul.
361

Deputy Commissioner's Office
Shimoga District
6th April 1904

From M. S. Narayana Rao Esq.
Deputy Commissioner
Shimoga District

To T. Ananta Varma Rao Esq.
Secretary to the Government
of Mysore
General and Revenue Depts.

Sir,

I have the honour to submit herewith the Inspection report of the Agricultural Bank at Vitgondankoppa, Kumsi Sub-Taluk received from the 1st Assistant Commissioner of the Shimoga District with his docket No 239 dated 12th March 1904.

I have the honour to be
Sir,
Your most obedt Servt

M. S. Narayana Rao
Deputy Commissioner
Shimoga Dist.

Inspection Report of the Agricultural Bank at Vittagondanahoppa, Kanara Sub Judge.

1. Date of present inspection.

5th March 1904.

2. Whether there is a duly registered suitable Bank office where members and depositors could call and have their business attended to; and if there had been any change in the office since last inspection, why necessitated and whether duly registered.

(a) Yes.
(b) No change.

3. Whether any dates and hours are fixed for transaction of business, whether business is regularly transacted at those dates and hours; if no appointment is thus made, what arrangements exist for the due transaction of business when members and depositors call; and on how many days in a month is business done.

(a) No. The business is transacted whenever there is work to be done and the agent or in his absence the President attends to members.

4. Whether the Bank's registers, accounts, title-deeds, documents, cash balance and other property are kept in the Bank premises in the custody of the President and Agent; and if any of them are not so kept, where and how they are kept, under what authority, and upon whose responsibility.

The Bank's Registers &c are kept in the Bank premises and in the custody of the agent.

5. Whether the villages to which the members belong are sufficiently near (within a radius of five miles) to the Bank house, and duly registered; at what distance do the majority of members, the directors and office-bearers reside; and if business was extended to any new village, whether there was proper sanction for it.

All the members &c belong to the village of Vittagondanahoppa and the business was not extended to any other village.

6. As regards members, whether and to what extent there has been any increase or decrease in their number since formation of the Bank or last inspection; what was the decrease, if any, due to; were the new members duly qualified, duly elected, and registered; in case of members belonging to a joint Hindu family or otherwise possessing a qualified or limited status, whether there is proper representation of interests involved; whether in the practical working, the Bank has gained or lost in strength, energy and usefulness since formation or last inspection.

(a) At the formation of the Bank there were 10 members and there is neither decrease nor

increase except that 4
2 members — Bandap-
pa and Dodda Siddan-
na who are dead are
represented by their brothers respectively -

Require no answer - (b) (c) and (d)

c Neither gained nor (c)
lost in strength and
usefulness.

(a) - No list of lands of
members is maintained.
The agent had been
directed in January 1902,
to maintain this im-
portant register which
he has not yet done -
He says that he sent a
report to the Inspector
of Agricultural Banks
asking him to send a
form in which the Register
is to be maintained
for which no reply has
yet been received - How-
ever they have maintained

7. (a) As regards credit, solvency and resources of members, whether a complete and accurate list of the lands of members is maintained; if not, how is the omission explained? (b) To what extent have fluctuations in the number of members affected the united credit of the Bank? (c) Any notable instances of new acquisition or improvement since formation of the Bank or last inspection? (d) any notable instances of sale or other kind of transfer, relinquishment or deterioration? (e) how these have affected the solvency and resources of the members concerned and of the Association as a whole; what (f) guarantee, if any, has the Bank obtained or the rules of the General Assembly afford against alienations and relinquishments prejudicial to the Bank's interests; (g) compare the *net* amount of the value of property as per latest authenticated list with the amount of liabilities of the Bank at date of inspection.

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a list in the enclosed form showing the extent and value of the lands hypothecated to the Bank -

(b) - No fluctuations in the number of members -

(c) & (d) - No such instances -

(e) - Needs no answer -

(f) - No guarantee -

(g) The net amount of the value of property is :- Rs 4-4 0 0/- and the amount of the liabilities is Rs 12 50/- .

(a) - Neither increase nor decrease -

(b) Entrance fee — Rs 9-8-0

Contribution — " — " —

Loans from Govt — 2500 — —

" — others — " — " —

Deposits — — — " " —

Debentures — — " " —

(c) The loan of Rs 2500/-

8.- As regards Bank's funds, note whether the limit fixed at formation had been increased or decreased under due authority; whether the Bank had in its dealings unauthorizedly exceeded the limit and if so, how is this explained or proposed to be rectified. (b) Classify the Bank's funds at date of inspection with reference to the sources from which they were derived, viz.—entrance fee, contributions, loans from Government, if any, loans from others, deposits from members (1) in cash and (2) in grain, deposits from outsiders, debentures etc. (c) Note whether the Bank's credit is well established and sustained, or steadily growing; if otherwise, to what extent such result is due to any action or omission of the Bank's authorities and what other causes are likely to have contributed to it; whether the lessons of co-operation, mutual help and thrift are understood and practised, if not, inculcate them to as large a body of members and outsiders as can be gathered.

got from Government was distributed between the 10 members who are repaying the amount by regular instalments. The agent and the President appeared before me and were told that the Bank's business should be extended by giving small loans to others &c.

The lessons of co-operation and mutual help and thrift are not understood.

(a) The terms fixed for repayment of loans are duly acted up to.

(b) The amount outstanding against the bank is Rs 1250/-.

(c) Yes.

9. As regards Government loan, note whether (a) the terms fixed for repayment are duly acted up to or there has been gross delay, dilatoriness or neglect; (b) the amount outstanding against the Bank at date of inspection (c) whether the loan may be continued subject to the terms allowed for repayment or whether in your opinion it is advisable to withdraw the loan under the provisions of Sections 74 and 75 of the Articles of Association; and state reasons for such opinion briefly and concisely.

10. As regards loans and deposits from others, note the terms allowed, generally in regard to rate of, interest and time for repayment; whether the sanction of the General Assembly had been obtained to the rates of interest and other essential terms; whether the obligations incurred were, in any way, in excess of the Bank's requirements or of what local conditions of credit, prudential considerations and the progress and well-being of the Bank justified; whether the Bank authorities are alive to the importance of placing themselves in a position to discharge the obligations incurred, punctually, completely and satisfactorily.

No loans and deposits from others -

11. As regards the Bank's transactions, compare (a) the Cash Book with Ledgers, Receipts, Chalans, Cheques, Treasury Pass Book, Contingent and Establishment Registers, Documents etc. Is it posted up from actual (b) transactions as they occur and in the order of their occurrence, and are entries made so clear as to be (c) easily intelligible and traceable through the other accounts? If discrepancies and omissions due to mere (d) oversight or ignorance are found, have them rectified in a business-like manner as far as practicable and note here such as are considered to be grave. In the case of corrections, see if they are initialled by the President and Agent, and if any of the corrections are not satisfactory, note briefly your objections.

See if disbursements were duly authorised and are (e) supported by proper vouchers.

Were the charges incurred under Establishment (f) and Contingencies real or fictitious either wholly or in part, and if real, necessary? Is the rule about members (g) rendering gratuitous service duly respected.

Note date of the last entry in the Cash Book, and (h) the cash balance on that date according to the Cash Book and as forthcoming in the Bank's chest. Are instances frequent of the transgression of the limit fixed in the Articles of Association for cash balance in the hands of the Board of Directors, and how are they explained? Are large sums kept in hand for any length (i) of time without being utilized? Is the facility afforded (j) for keeping current account with the Treasury utilised as far as possible for minimising cash balances, if not, how is the omission explained? Has there been any (k) complaint or ground for the belief or suspicion that needlessly large balances are retained by the Agent or President.

Note the general results of the Bank's cash transactions up to date of inspection in the appended form and see if the Cash Balance Sheet last submitted by the Bank is correct in all particulars.

(a) Compared the cash book with Ledgers &c.

(b) Yes.

(c) Yes.

(d) They are initialled by the agent.

(e) Yes.

(f) Yes - they are genl.

(g) The President and the agent who are the only literate people render gratuitous service.

(h) The date of last entry in the Cash book is 28-12-903 and the Cash balance on that date is Rs 47-8-2 which was forthcoming in the Bank's chest - This amount seems to have been returned from the

Shivamoga Taluk Treasury for which a reference has been made as to why the amount was returned and to what particulars it relates –

No reply has yet been received –

(i) According to the articles of association the Board of Directors are not allowed to keep any cash balance in their hands –

(j) No current account kept –

(k) No complaints –

RECEIPTS.	Rs. a. p.	EXPENDITURE.	Rs. a. p.
From Treasury	2500 – –	To Treasury Current acct. principal repaid	1250 – –
„ Depositors	– – –	Depositors	– – –
Entrance fee	4 – 8 –	„ Members, loan.	2500 – –
Interest and penalty	666 – 6 – 8	„ Govt. on acct. of interest	43 – 9 – 1
Loans repaid	1250 – –	Depositors, Reserve fund	20 – 2 – 0
Other items	47 – 8 – 2	„ Printing charges	3 – 6 – 0
		„ Establishment.	156 – 7 – 0
		„ Contingencies	11 – 11 – 8
		„ Other charges.	0 – 10 – 11
Total	4473 – 6 – 10	Balance on hand	47 – 8 – 2
		Total	4473 – 6 – 10

12. As regards loans to members, note if, in addition to the restrictions and limitations prescribed in Section 42 of the Articles of Association, the General Assembly has prescribed any limit with reference to the value of the landed property held by applicants for loan or offered as security by them; whether loans have been granted in any in contravention of these rules, members of joint Hindu family being taken as representing one account; how such transgressions are explained or proposed to be rectified; had any loans been granted to other than members in need or had any deserving applicants been denied to favor particular individuals, and had such instances produced feelings of distrust and discontent and impaired the cordiality and unanimity expected to exist among the body of members; are objects for which loans are applied for explained with sufficient clearness in the darkhasts; is the application and use made of loans watched by the Board of Directors or other authority; have there been any instances of non-application or misuse, especially of sums obtained having been used by any member for purposes of trading or private banking or money lending.

Note the sums obtained and used for the several purposes indicated in the appended form.

(a) No limit has been fixed but not more than 75 per cent of the value of the property hypothecated have been given as loans.

(b) No.

(c) No. None but members have received loans.

(d) No feelings of distrust or discontent.

(e) Yes.

(f) Yes.

(g) No.

(h)

Amount obtained.				Amount spent.			
	Rs.	a.	p.		Rs.	a.	p.
1 To discharge encumbrances.	560	-	-	1 For discharging encumbrances ...	560	-	-
2 To " other debts.	1620	-	-	2 To discharge other debts ...	1620	-	-
3 For agricultural purposes				3 For agricultural purposes ...			
(a) for buying cattle	200	-	-	(a) - - - - - -	200	-	-
(b) in protecting lands	100	-	-	(b) - - - - - -	100	-	-
(c) for manure	20	-	-	(c) - - - - - -	20	-	-
(d)				(d)			
	2500	-	-		2500	-	-
				4 For other purposes			
				(a)			
				(b)			
				(c)			
				(d)			

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13. As regards securities obtained, note if the
(a) mortgage deeds in favor of the Bank are in proper form executed by the proper persons and duly registered; if
(b) prior mortgages in respect of property hypothecated to the Bank had been fully discharged, and the mortgage
(c) deeds duly discharged produced in Bank together with title-deeds; in case of exceptions, when the mortgages are likely to be discharged and their amount; the pro-
(d) portion the loans of first class bear to the amount of property mortgaged; notable cases of undue preference, if any, with explanation; whether good and sufficient personal security was obtained in the case of the second and third class loans, whether in the case of simple debts repaid, documents discharged, receipts, &c., obtained had been produced, and in case of notable exceptions when they are expected to be produced.

Note particulars in the appended form of loans outstanding against members at date of inspection exclusive of repayments.

1st class.	2nd class.	3rd class.	4th class.	Total.	Value of property under mortgage to Bank.

(a) Yes.

(b) Yes.

(c) No exceptions.

(d) The loans of 1st class amount to Rs 2500/- and the value of the property hypothecated to Government is Rs 4400.

Proportion is 1 : 1·76

(e) No undue preference.

(f)(g) No 2d, 3d and 4th class loans are given.

(h) Only 1st class loan to the extent of Rs 2500/- are given. The value of property mortgaged is Rs 4400/-

The members have paid up their instalments regularly.

14. As regards punctuality, completeness or otherwise in the payment of dues by members. Note whether the rule requiring strict punctuality is borne in
(a) mind and enforced in all practicable cases; or whether there is any unhealthy tendency to evade it; how many
(b) are defaulters (1) among office-bearers and (2) among other members; the amount of instalments overdue re-
(c) maining unrecovered at date of inspection, the amount of 2nd, 3rd and 4th class loans likewise overdue remain-
(d) ing unrecovered; causes of unduly large arrears and
(e) large number of defaulters; whether proper notice had been taken of defaults and adequate steps taken for recovery of arrears; whether renewals were granted
(f) with prudence and discrimination; whether the interest
(g) and penalty due to the Bank had been fully recovered, and whether the interest due to Government and to
(h) other creditors duly paid; arrears, if any, how explained
(i) and when expected to be paid.

(a) There are no defaulters.

(b) None.

(c) None.

(d) No arrears.

(e) No renewals

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(g) Yes.

(h) Yes.

(i) No arrears.

15. As regards surplus, Note what this amounts to up to date of inspection, taking into account the arrears remaining unrecovered of interest and other items of income; how much of this has been realized; what amount has been carried to the Reserve Fund by resolution of the General Assembly; how the Reserve Fund is invested; how the remaining surplus is used or secured; whether any and what special charges tended to reduce the surplus; and if the Bank has other assets what they are and their value.

- No surplus

16. As regards meetings of General Assembly, note whether the rules for convening these, the conduct of business therein and the recording and registering of resolutions are understood and duly given effect to; if not, explain the same to the office bearers and others present; note whether meetings had been held regularly every half-year; whether any and what number of extraordinary meetings had been held since last inspection; whether notices had been duly given to members; whether members were generally taking interest in the Bank affairs or whether there was party feeling; whether special resolutions had been duly confirmed and registered; whether any resolutions were inconsistent with the Articles of Association or other provisions of law.

(a) Yes.

(b) Yes.

(c) No extraordinary meetings held.

(d) Yes.

(e) Except the President and the agent none else is taking any interest in the affairs of the Bank. There is no party feeling.

(f) Yes.

(g) No.

(h) The Board of Directors have not met. But whenever there is work there will be a general

As regards Board of Directors, note whether and how often they meet for transaction of business; whether their resolutions are duly recorded in a book; if they do not meet, what arrangements exist for the discharge of their duties and functions and what record exists of their proceedings; whether any, and which of them have been taking special interest in and working with zeal for the progress of the institution.

meeting the business of which is recorded in the Minute book.

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There are 3 auditors appointed who are all illiterate. The control is not effective and satisfactory.

18. As regards supervision, whether any and what arrangements the General Assembly had made for control and audit, are they effective and satisfactory.

19. As regards registers and accounts, see appended list, note therein which of them is kept and how.

I. Register of members maintained fairly well.
II. „ of applications for loan — Do —
III. Cash book — Do —
IV. Ledger — Do
V. Minute book — Do —
VI. Register of balance sheets Do.
VII. Property register not maintained.
VIII Register of monthly cash abstracts maintained
IX. Register of bonds not maintained
X Receipts by Bank — Do —
XI. Depositors' ledger — Do —
XII. Treasury pass book maintained
XIII. Chalan book — Do —
XIV. Cheque book — Do —
XV. Receipts by members to Bank — no Separate book kept but receipts taken behind the Counterpart of the cheque.
XVI. Register of Directors maintained
XVII. Register of Directors' Proceedings not maintained
XVIII. Register of appropriation of loans Do.
XIX. „ of contingent expenses Do —
XX. „ of disbursement of pay to establishment maintained
XXI. „ of From letters — Do —
XXII. „ of To letters — Do —
XXIII. Visitors' book not maintained.

20. General remarks regarding the state of the Bank.

The Bank whose business appears to be limited is conducted in a fair condition.

C. Narayanaswamy
1st Assistant Commissioner
Sd/- Illegible
10th March/24.

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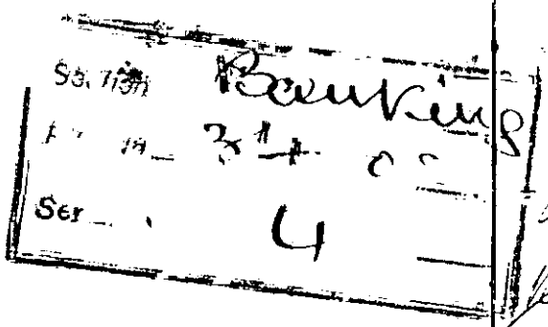
		82/3	6-35	23-4		
		84	4-38	16		
		26/1-2	2-39	9		
		82/1-2	7-33	17-12		
		7	12-16	42		
		3				
		4				
		5	23-1	41		
		10	2-19	7-8		
		28	9-9	9-8		
		77				
		4				
		12½1	1-21	0-8		
		85				
		86				

		13	9-5	20	0	0
		2.5	9-34	23		
		34	21-25	19	0	0
		82				
		88				
		77				

16.

Mysore Govt. Gen. & Rev. Secretariat,
Revenue Branch.

File No. (if any) and its date—



Office Draft.

Progs. of the Govt. of H. H. the Maharaja of Mysore.

Read:

Reporting inspection of the Agricultural Bank at Vidyaranda Koppa, Kumsi Sub Taluk, received with letter No. 548/361 of 6th April 1904 from the Dy. Commissioner, Shimoga District

No. R 3308
R.T. 41-1897
9/6/1904

Order:

Recorded with the following observation.

1. The Bank should be directed to open the property register in the form supplied to the Bank by the late Inspector of Agricultural Banks with his circular No. 106-107/38 of 20th July 1898.

2. Last year specific attention was paid to certain registers which are reported to have not been opened by the Bank. Its attention should be drawn to para 3 of G.O. No. R. 288 R.T. 41-1897-98 of 20th 1903.

3) - foot: the plaintiff has not the business of the Bank is on a fair condition.

4/5/04

2/5/04 Secretary

The Dy. Commissioner
Chemsford District.

4/5/04

7s. 4/5-
5/5/4.